

2007-2008 PERFORMANCE PLAN – Sr. Portfolio Manager / Externally Managed Equity (K. Silberstein) Page 1 of 2

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
10%	Total Fund	Return deviation in basis points relative to: Total Fund performance versus Total Fund benchmark (SJ1CA1 – CPERSTO2)	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5
20%	Risk Managed Absolute Return Strategies Program	Excess return relative to program policy (SNLCA1 – CPERHEDG2)	0 basis points = 0 +50 basis points = 1.0 +100 basis points = 1.5
20%	Domestic External Equity Performance	Excess return relative to the Domestic Equity performance benchmark (SNDCA1 – CPERSND2). <i>Performance begins on Sept 30</i>	0 basis points = 0 +50 basis points = 1.0 +100 basis points = 1.5
20%	International External Equity Performance	Excess return relative to the International Equity performance benchmark (SNFKA1 – CPERNFK3). <i>Performance begins on Sept 30</i>	0 basis points = 0 +50 basis points = 1.0 +100 basis points = 1.5
15%	Global Equity Performance	Excess return relative to the Global Equity performance benchmark (GLOBLIC – CPERSGE2)	-50 basis points = 0 -10 basis points = 1.0 +15 basis points = 1.5
85%	Subtotal	Quantitative Measures	

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<p>Demonstrate leadership within CalPERS and in the external investment community, as both industry and staff (or team) leaders. Dimensions, all of which will be considered, include:</p> <ul style="list-style-type: none"> • Within the Investment Group (e.g., teamwork within and across asset classes, timely preparation of staff performance appraisals, appropriate employee recognition) • Trustees (e.g., written and oral presentations to Investment Committee and Investment Policy Subcommittee) • CalPERS (e.g., involvement in enterprise-wide initiatives and programs) • External Investment Community (e.g., relationships with external business partners and stakeholders, presentations at conferences and similar events, representation on external boards and committees) 	
15%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	